

Message Text

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ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 DRC-01 RSC-01 /039 W

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R 211727Z MAY 74

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 869

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E.O. 11652: N/A

TAGS: ETRD, BE

SUBJECT: ACTIVITIES OF WEST EUROPEAN COUNTRIES' JOINT
COMMISSIONS WITH EAST EUROPEAN COUNTRIES'
JOINT COMMISSIONS

REF: A. BRUSSELS 2881; B. STATE 80183

1. REFTEL A REPORTED ON BELGIAN PRACTICE AND EXPERIENCE IN RESPECT PRIMARILY TO THE ORGANIZATIONAL ASPECT OF JOINT COMMISSIONS CREATED BY ECONOMIC COOPERATION AGREEMENTS WITH EAST EUROPEAN COUNTRIES. SINCE SUBMITTING THAT REPORT, WE HAVE HAD OPPORTUNITY TO DISCUSS ATMOSPHERE AND TRENDS IN BELGIAN EXPERIENCE WITH E.DECASTIAUX, ECONOMIC COUNSELOR FOR RELATIONS WITH EAST EUROPE, MINFOR- AFFAIRS. DECASTIAUX IS SENIOR BELGIAN DIPLOMAT CONCERNED SOLELY WITH JOINT COMMISSIONS, SERVING AS CHAIRMAN OF BELGIAN DELEGATION TO MAJORITY.

2. DECASTIAUX SAYS THERE IS A BASIC EASTERN BLOC TENDENCY WHICH DOMINATES RELATIONS IN THE JOINT COMMISSION: THE DESIRE OF EASTERN COUNTRIES TO CREATE A COMMERCIAL BILATERAL RELATIONSHIP BY MEANS OF ECONOMIC COOPERATION AGREEMENT AND JOINT COMMISSION. EUROPEAN COMMUNITY (EC) COUNTRIES ARE PRECLUDED FROM BILATERAL COMMERCIAL RELATIONS AFTER JANUARY 1, 1975 WHICH THE BLOCK IS ATTEMPTING TO CIRCUMVENT BY USE OF COOPERATION AGREEMENTS. PRIMARY METHOD IS TO INSIST THAT "COMMERCE" (I.E., GOODS AND SERVICES EXCHANGED FOR PAYMENT) WHICH

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RESULTS FROM ECONOMIC COOPERATION MUST BE FREE OF EXTERNAL

RESTRAINTS (E.G., EC TARIFFS) AND SUBJECT ONLY TO CONTROLS SPECIFIED WITHIN RELEVANT ECONOMIC AGREEMENT. THEREFORE, ECONOMIC COOPERATION AGREEMENT WHICH CREATES CHEMICAL PLANT IN POLAND, FOR EXAMPLE, SHOULD RESULT IN CHEMICAL PRODUCTS AVAILABLE FOR IMPORT INTO BELGIUM FREE OF EC QUOTA OR TARIFF RESTRICTIONS. GOB REJECTS THIS THESIS.

3. SECOND METHOD OF FOSTERING BILATERAL COMMERCIAL RELATIONS IS BY ESCALATING LEVEL OF REPRESENTATION IN JOINT COMMISSIONS. BELGIAN PRACTICE HAD BEEN TO CHAIR THEIR DELS AT SENIOR WORKING LEVEL (DECASTIAUX AT PRESENT). BLOC HAS BEEN PUSHING FOR CABINET LEVEL REPRESENTATION: FOR EXAMPLE, MINFORTRADE FLANKED BY MINISTERS OF FINANCE AND COMMERCE. SOVIETS HAVE SUCCEEDED IN OBTAINING BELGIAN CONCURRENCE BUT GOB IS RESISTING IN JOINT COMMISSIONS WITH REST OF BLOC. RESULT OF SUCH MINISTERIAL REPRESENTATION IS REGULAR HIGH LEVEL BILATERAL CONFERENCES AT POLITICAL DECISION MAKING LEVEL.

4. DECASTIAUX ALSO COMMENTED ON WHAT HE VIEWED AS MAJOR OPERATIONAL DIFFERENCE BETWEEN WESTERN AND EASTERN DELEGATIONS IN JOINT COMMISSIONS. BELGIAN DELEGATION (INCLUDING PRIVATE SECTOR REPS) AS REPRESENTATIVES OF A MARKET ECONOMY CAN ACT AT GENERAL POLICY LEVEL ONLY: I.E., IT CAN AGREE TO A TRADE MISSION, TRADE FAIR, AND DISCUSSIONS ON TRADE STATISTICS. IN REGARD TO ACTUAL INDUSTRIAL OR ECONOMIC AGREEMENTS IT CAN ONLY PROPOSE TO THE PRIVATE SECTOR WHICH THEN WILL ACCEPT OR REJECT. BLOC DELS HOWEVER REPRESENT A UNIFIED SYSTEM WHICH CAN DETERMINE WHETHER OR NOT IT WISHES TO PARTICIPATE IN A SPECIFIC CONTRACT. A JOINT COMMISSION (OR SECTORAL WORKING GROUP) AGREEMENT ON DESIRABILITY OF A CHEMICAL PLANT, FOR INSTANCE, MEANS THAT THE EASTERN COUNTRY HAS AGREED TO PARTICIPATE WHILE THE BELGIANS HAVE ONLY AGREED TO REFER THE PROJECT TO THE PRIVATE SECTOR FOR CONSIDERATION. THIS DIFFERENCE IN WORKING TECHNIQUE STEMMING FROM DIFFERENCES IN ECONOMIC SYSTEMS INEVITABLY LEADS TO THE WESTERN DEL BEING PLACED LIMITED OFFICIAL USE

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IN A MORE PASSIVE ROLE VIS-A-VIS ITS EASTERN COUNTERPART.
STRAUSZ-HUPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, TRADE, INDUSTRIAL DEVELOPMENT, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRUSSE03318
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740126-0954
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740532/aaaabbne.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. BRUSSELS 2881; B. STATE 80183
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by cunninfx>; APPROVED <12 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ACTIVITIES OF WEST EUROPEAN COUNTRIES' JOINT COMMISSIONS WITH EAST EUROPEAN COUNTRIES'
TAGS: ETRD, BE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005